## What is elder financial abuse, and could it be happening to you?

**5 MIN. READ**

About [one in ten older Americans](https://www.ncoa.org/public-policy-action/elder-justice/elder-abuse-facts/#:~:text=Approximately%201%20in%2010%20Americans,abuse%20are%20reported%20to%20authorities.) will be abused, in some form or other, during their lifetime. Unfortunately, and sadly, just one in fourteen will report it. As the number of people aged 65 and older continues to grow rapidly, elder financial abuse is becoming more common.

To protect those you love, it's important to know what financial abuse is, who does it and what to do if you identify it. At [Company Name], we educate our clients of their risks and help them stay on the path to retirement success.

### What is elder financial abuse?

* [Financial abuse](https://acl.gov/programs/elder-justice/what-elder-abuse) occurs when someone takes advantage of a person age of 65 or above. It’s defined by circumstances that allow an individual to manipulate another’s finances for their personal profit unfairly or illegally. Answer the following questions to detect signs of elderly financial abuse: What is happening to their finances?
* Where is the abuse happening?
* Who is committing the abuse?
* What are the circumstances allowing the abuse to occur? Put another way, how are they doing it?

### How does it happen?

Financial abuse of the elderly can be as simple as theft or ingratiating themselves and gaining the confidence of their victim and convincing them into providing money or buying them “gifts”. It also occurs when the victim is physically intimidated or abused. A victim may be mentally bullied into purchasing items or providing money that are not in their best interests.

A more subtle way for financial abuse to occur is by convincing the victim to sign documents give the abuser access to their finances. Examples include being added to joints accounts, being granted a power of attorney and being added as a beneficiary to their accounts, estate and/or life insurance. Once they have gained access, the abuser has is able to exercise *control* over the victim’s finances. In most cases, the victim will have little to no chance of having their assets returned.

An abuser may also have the ability to [sell the victim’s real estate](https://www.napsa-now.org/get-informed/what-is-financial-exploitation/) without their authority, leaving the victim without a home. Often the victim is unaware until they are kicked out of the house.

Even “trusted” professionals will take advantage of elderly clients. That trust may lead to excessive trading in the victim’s brokerage account in an effort to create more commissions or even changes to their estate planning.

### Who are the abusers?

Unfortunately, almost anyone can engage in elder financial abuse.

**Professionals like brokers and advisors** can use their relationship with an elderly client to line their own pockets. They can engage in practices that makes money for themselves while rapidly burning through their victim's assets. [[Company Name] is a fiduciary](https://fta-ria.com/solutions/), meaning that we have a legal obligation to always act in our clients' best interests.

**Lawyers** can also take advantage of elderly. Besides skewing wills, they may also work with others to abuse the elder person's trust accounts.

**Caregivers** may take advantage of the elderly in a few unique ways. They can deprive the older person of money, food, friends and even pets. Caregivers can physically abuse their clients and force them to take actions against their will. At times they just steal from them. Many times, their physical control over can quickly turn into financial control.

**Relatives** can physically or emotionally bully their elderly parents or grandparents into giving them money or gifts. Even more cruelly, they can misuse the love the elderly person has for them. They will "persuade" them into making potentially disastrous financial decisions like taking out loans or selling assets. The underlying [family relationships](https://www.ncoa.org/public-policy-action/elder-justice/elder-abuse-facts/#:~:text=Approximately%201%20in%2010%20Americans,abuse%20are%20reported%20to%20authorities.) often makes this kind of abuse especially difficult to resolve.

### What are the signs of financial abuse of the elderly?

The most common sign of financial abuse is a [sudden change](https://www.ncoa.org/public-policy-action/elder-justice/elder-abuse-facts/#:~:text=Approximately%201%20in%2010%20Americans,abuse%20are%20reported%20to%20authorities.) in the financial status of your loved one. Where once they ate porterhouse, they now eat hamburger. Sudden, unexplained, large money withdrawals from bank or brokerage accounts to unknown people or entities is a prominent sign. In some instances, a bank or broker may contact you if the transaction seems suspicious AND you are a trusted contact.

Other questionable activities include [purchases](https://www.napsa-now.org/get-informed/what-is-financial-exploitation/) of risky financial products that aren't appropriate. If your grandmother suddenly buys a Harley Softail or starts trading penny stocks, those are warning signs. Emails that try to sucker the elderly into giving away financial information or sending money to Nigerian princes is another confidence game played on the elderly.

### What do you do if you see financial abuse?

Should you become aware of troubling signs that someone other than themselves appears to have taken control of their finances, the first thing you might do is contact your family member, or other trusted associates to try and identify the problem. Remove the older person from the situation if you can. Be sure to avoid risk to yourself and the elder so the problem doesn't get worse.

Sometimes [just talking](https://www.rocketlawyer.com/article/what-to-do-if-you-suspect-financial-abuse-of-an-elderly-person.rl) to them can help decrease the loneliness that makes elder financial abuse easy. In fact, social isolation is a big part of successful abuse.

Every [state](https://ncea.acl.gov/Resources/State.aspx) has an agency that works with older people. They have a special department for elder abuse, so contact them right away. Many states have rules so you won't be held liable for making a report either.

Instead of going directly to the state, you can speak with a mandatory reporter. These people have a duty to report abuse. [Reporters](https://ncler.acl.gov/getattachment/Legal-Training/Mandatory-Reporting-Ch-Summary.pdf.aspx) vary by state but include doctors, social workers, religious counselors and financial professionals.

Remember, in too many cases, the abusive deeds can't be fixed. So, act fast to prevent irreparable financial harm.

### Prevention is the best protection from elder financial abuse

Here are some tips to prevent elder financial abuse:

* When a person is still mentally sharp, help him or her make a plan that designates [power of attorney](https://www.aarp.org/money/investing/info-2017/power-of-attorney.html) and health care directives. We tend to want to keep financial matters private, but if we don’t have those discussions, that’s what blows things apart.
* Stay connected with older loved ones through regular phone calls, visits or emails.
* Develop a relationship with your parent’s caregiver. They’ll be less likely to financially exploit Mother because they know you’re paying attention.
* Become a “trusted contact” to monitor bank account and brokerage activity.
* Sign up for a service such as EverSafe to track financial activity and notify an advocate of unusual withdrawals or spending.
* Set up direct deposit for checks so others don’t have to cash them.
* Do not sign any documents that you don’t understand.

[Contact us](https://fta-ria.com/contact/) today to learn more about how we can help.

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Prevention is the best protection  
  
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As the population ages and seniors have more and more assets, elder financial abuse has become far more prevalent. In order to protect those you love, it's important to know what this type of abuse is, who does it and what to do if you experience or see it.   
  
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